



CO-OPERATIVE PURCHASING SERVICES LTD ARBN 084 660 515
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29 May, 2000

Mr Graeme Charles
Executive Officer
Co-operative Federation of Victoria Ltd
P O Box 356
BEECHWORTH VIC 3747

Dear Graeme,

FAXED

CPS Insurance Service

I refer to your letter of 25 May.

I confirm have signed an agreement with JLT for the provision of an insurance service for CPS Members and associated organisations. The agreement is for an initial 3 year term with an option to extend. During the currency of the agreement and for as long as organisations introduced to JLT through the scheme remain JLT customers, JLT will pay CPS 10% of all income it earns through such business.

In return for joint marketing/promotion (CFV and CPS) CPS has agreed to share income it receives in respect of CFV members on a 50/50 basis after deducting a 25% management fee.

CPS also agrees to offer discounted membership to CFV members and trusts this will be promoted jointly with the Insurance service (noting that the Insurance service is just one of the cost saving services available from CPS). I will provide you with forms and brochures as and when required for marketing/promotion purposes.

I have already given Bill Hogg of JLT a complete data base of CPS members and all Victorian Co-operatives. Bill is working on an introductory letter that will be used, following my approval, to generate new business within our membership and the Co-operative sector.

I note you intend meeting with Bill Hogg and would appreciate this occurring jointly with myself to ensure that all processes accord with the terms of the CPS agreement. Please call to arrange a mutually convenient time - Bill and I will probably be meeting weekly in the short term particularly to cater for the normal June 30th renewal time.

Yours sincerely,

Ian Holden
General Manager

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